SPECIFICATION AMENDMENT

Please amend paragraph [0034] beginning on page 13 of the original Specification as follows.

[0034] As shown in Fig. 4, the inputs of the transcoder 222 are one base layer's bitstream 402 and a corresponding enhancement layer's bitstream 404, which in combination comprise at least a portion of FGS video 212. The only operation in the base layer is to extract the motion vectors (MVs) 406 to transcode the enhancement layer bitstream. In this implementation, the MVs are extracted by bitstream parse and variable length decoding. VLD decoding to ~~extracts~~ extract the MVs is not the same as decoding the base layer input 402 because coded coefficients and other information at the base layer can be simply skipped with low complexity. As for the enhancement layer bitstream 404, it is first processed by variable length decoding 408 and bit-plane decoding 410 and 412 to extract two (2) groups of DCT coefficients from the enhancement layer input, one is for the high quality reference, i.e. DCT coefficients of e_i^1 (shown by the path with HQRB$_1$), and the other is for the high quality video decoded to be transcoded, i.e. DCT coefficients of e_i. At this point, the DCT coefficients of the difference images between E_i^1 and E_i^2 are added to generate the final coefficient for output. The coefficients are coded by bit-plane coding 416 and variable length coding 418 to produce the new enhancement layer bitstream 420—which represents at least a portion of the transcoded FGS video 212 of Fig. 2.